

# B.A. Bulletin

May 2001

## Important Health Benefits News for Benefits Administrators

## Upcoming Events

### MAY

**May 1 – 31** ~ Open Enrollment period for employees at all state agencies except colleges and universities

**May 15** ~ Last day to exercise a Floating Enrollment (June 1 effective date)

### JUNE

~ Last day to key Open Enrollment changes for all other state agencies

**June 19 – 27** ~ Tentative dates for mailing Key Advantage and Cost Alliance ID cards to active employees and family members

**July 1** ~ New plan year begins for health benefits and pre- or after-tax employee contributions to premiums

## Statewide Plan ID Cards Mailed Soon

All Key Advantage and Cost Alliance members will receive a new ID card in June for the plan year beginning July 1. The new cards are necessary because of plan copayment changes.

The ID card mailing to active employees and their family members, and to Extended Coverage (COBRA) participants, is scheduled to begin on June 19 (tentative date). Non-Medicare retirees will receive a separate mailing at the end of June. In addition, Medicare retirees enrolled in the Retiree Health Benefits Program will receive new cards in early July because of revised group numbers.

## Effective Dates for Flexible Reimbursement Accounts

As a result of Internal Revenue Service (IRS) regulations, effective dates for Flexible Reimbursement Account plan changes will now be the first of the month after submission of the request. Previously, changes took effect the first of the month after the event itself occurred.

An informational sheet will be prepared for distribution to employees on this issue and also on pre- and after-tax payment of premiums (Premium Conversion). This sheet also will be used as an insert and included with each Flexible Benefits Sourcebook ordered from Edgewood.

As indicated earlier, employees may now choose to pay for their health benefits on a pre-tax or after-tax basis during the Open Enrollment period each spring. The selection takes effect on July 1.

## Effective Dates Chart\*

Application is Received...	Coverage is Effective...
Within 31 days and by the end of the month (Ex: Event is Aug. 13 and receipt is Aug. 15)	The first of the next month (Ex: Sept. 1)
Within 31 days and into the next month (Ex: Event is Aug. 13 and receipt is Sept. 10)	The first of the following month (Ex: Oct. 1)

\*There may be some exceptions

**Remember:** Once an employee has submitted an election within 31 days of a life event, that election is binding and may not be changed after it takes effect.

## EmployeeDirect Update

The EmployeeDirect Interactive Voice Response (IVR) telephone system is not yet operating because of technical difficulties. We will let you know as soon as it is available. The EmployeeDirect web-based system may be accessed through the DHRM web site or at <http://edirect.state.va.us>.

## New Policy On Death of Employee

Beginning July 1, health benefits coverage may be available to family members beyond the end of the month in which the death of a state employee occurred. The revised policy results from legislation during the 2001 General Assembly. The law requires that coverage can continue for 30 days after the death of a state employee. Administratively, the state plan would then terminate coverage at the end of the month following this 30-day extension.

